



The Commonwealth of Massachusetts
Department of the State Treasurer
State House
Boston, Massachusetts 02133

Steven Grossman
Treasurer and Receiver General

February 17, 2011

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-45-10
Release No. 34-63576

Dear Secretary Murphy:

As Treasurer and Receiver-General for the Commonwealth of Massachusetts ("Treasurer"), I am pleased to submit comments to the Securities and Exchange Commission (the "Commission") in connection with Release No. 34-63576, which proposes the adoption of Rules 15Ba1-1 to 15Ba1-7 [17 CFR 240.15Ba1-1 to 240.15Ba1-7] (the "Proposed Rules").

In my capacity as Treasurer, I serve on several boards and commissions, including boards authorized to issue bonds, notes and other evidences of indebtedness. For instance, I am the chair of the board of the Massachusetts School Building Authority ("MSBA"). The MSBA is an independent public authority that funds and administers a grant program for cities and towns for public school construction, renovation and repair projects throughout the Commonwealth of Massachusetts. The MSBA has the authority to issue bonds, notes and other evidences of indebtedness. The MSBA is governed by a seven-member Board. Members of the Board include the Massachusetts Treasurer and Receiver General, the Secretary of Administration and Finance, the Commissioner of Education, each *ex officio*, or such persons' designees, and four members appointed by the State Treasurer, two of whom must have practical experience in educational facilities planning, school building construction, or architecture and school design and two of whom must be persons in the field of education with demonstrated knowledge of the Commonwealth's curriculum frameworks and other relevant federal and state educational standards.

In addition to reviewing and approving construction projects and other program-related matters, the Board authorizes the MSBA's expenditures and debt issuances.

As Treasurer for the Commonwealth, I strongly support the Commission's commitment to enhance transparency and to improve the ethics and the qualifications of individuals providing financial advice to public entities. As public officials, we all bear tremendous responsibility to the public to ensure that quality board members fulfill their fiduciary duties to the public in a transparent and ethical manner. However, I respectfully disagree with the Commission's interpretation of the statutory term "municipal advisor" as including appointed members of a governing body of a municipal entity who "provide advice" to the municipal entity regarding municipal financial products or the issuance of municipal securities. Consequently, I request that the Commission reconsider such interpretation and clarify that the term "municipal advisor" *excludes* all board members of a municipal entity, whether elected or appointed. Imposing the reporting and registration requirements that are applicable to "municipal advisors" on appointed board members likely will have a chilling effect on informed analysis and debate among those Board members. The risk of being deemed an unregistered municipal advisor would undermine the responsibilities shared by all Board members to analyze and question staff and financial advisors about financial issues.

I am also concerned that the Proposed Rules will dissuade talented individuals from either serving on boards or actively participating in board matters because they will not want to subject themselves to the costly and burdensome registration and training requirements and the heightened fiduciary duty the Proposed Rules impose. For example, the MSBA relies greatly on its appointed members, all of whom are leaders in their respective professions, as they provide invaluable insight and information on the MSBA's programs and policies. The risk that qualified individuals would be deterred from service on the MSBA Board is particularly acute as MSBA Board members are volunteers and uncompensated. I understand and appreciate the Commission's efforts to improve financial stability, accountability and transparency in the financial system; however, making these appointed board members "municipal advisors" will not achieve the intended results.

Moreover, under Massachusetts law, members of public boards, such as the MSBA, already are covered by public records, open meeting, and conflict of interest laws, making the additional reporting requirements of the Commission unnecessary.

Each of these laws promotes and reinforces transparency, financial disclosure and accountability. For instance, MSBA Board members must comply with the state conflict of interest law, which governs the conduct of public employees and officials and prohibits Board members from taking any action that affects their financial interest. All MSBA Board meetings are open to the public, and Board documents, correspondence and memoranda are subject to the public records law. Further, appointed members serve two-year terms and are eligible for reappointment. Because the appointed members serve for fixed terms, their performance is subject to a review at least every two years. Like elected board members and employees, appointed board members already are accountable for their actions and performance.

For the reasons discussed above, I respectfully request that the Commission alter its interpretation and clarify that appointed board members are excluded from the definition of "municipal advisor."

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Grossman", with a long horizontal line extending to the right.

Steven Grossman
Treasurer and Receiver General